

ONE HUNDRED NINTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON GOVERNMENT REFORM
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SUBCOMMITTEE ON FEDERALISM AND THE CENSUS
Congressman Michael R. Turner, Chairman



OVERSIGHT HEARING
STATEMENT BY MICHAEL R. TURNER, CHAIRMAN

Hearing topic: *“Public Housing Management: Do the Public Housing Authorities have the Flexibility They Need to Meet the Changing Demands of the 21st Century?”*

Wednesday, May 10, 2006
10:00 AM
2154 Rayburn House Office Building

OPENING STATEMENT

Welcome to the Subcommittee’s hearing entitled, “Public Housing Management: Do the Public Housing Authorities have the Flexibility They Need to Meet the Changing Demands of the 21st Century?” This is the second in a series of hearings on public housing.

Congress first authorized public housing in 1937 as part of President Franklin D. Roosevelt’s Depression-era public works legislative package. Public housing, over the years, has changed from a public works program designed to serve predominantly working families on a temporary basis to a program that served poorer families on a permanent basis. By the mid-1990s, conditions in many public housing projects around the country were deplorable. The picture of public housing most Americans had was that of substandard high-rise buildings, with high crime, rampant drug use and extreme poverty. In the eyes of conservatives and liberals alike, the system was a failure. It failed to provide save, affordable, quality housing to those families most in need.

Many pointed their finger at HUD. Others laid blame on the shoulders of the Public Housing Authorities themselves. In fact, by the end of the 1970's, much of the focus had turned toward Public Housing management as the problem. In 1979, a Massachusetts court placed the Boston Public Housing Authority in receivership. By 1995, three more Authorities – Washington, D.C.; Chester, Pennsylvania; and Kansas City, Missouri – were placed into receivership. By 2001, HUD had placed an additional 11 housing authorities into administrative receivership, including Chicago and New Orleans.

In 1998, Congress passed the Quality Housing and Work Responsibility Act of 1998. The goal of Congress was to streamline the system, provide Public Housing Authorities with more management flexibility, and create more accountability within the system. Eight years after the legislation's enactment our nation's public housing system is still undergoing dramatic changes in how it is funded and how it is managed. Some of those changes have been applauded, some have not. A recent report released by the Brookings Institution opined that "HUD's aggressive efforts to improve the management of the most troubled housing authorities have been effective; but the act's success in deregulating public housing management – with increased accountability – has been more mixed."

The purpose of this hearing is to examine whether HUD has appropriately implemented QHWRA in keeping with the spirit of the Act's stated purpose of deregulating and decontrolling Public Housing Authorities and providing for more flexible use of Federal assistance. The Subcommittee will hear from several witnesses representing various Public Housing Authorities from around the country. We are interested in hearing their views on HUD's implementation of QHWRA, and its new management rules. It is our hope that the Public Housing Authorities here today will comment on what steps HUD could take to deregulate further the public housing system while increasing accountability – whether that means expanding programs like the Moving to Work Demonstration or finding some other mechanism.

Today we will hear first from Greg Johnson, Executive Director of the Dayton Metropolitan Housing Authority. Mr. Johnson took over a Dayton's housing program after it had many years of difficulties. He has done a great job turning that program around and I look forward to working with him in the future.

Next, we have Terry Peterson, Chief Executive Officer of the Chicago Housing Authority. Mr. Peterson and I, along with other fine people from Chicago, toured many of the public housing area to show us what they have been doing to improve their public housing. Since the City of Chicago has taken back control of the Chicago Housing Authority, its housing program has made a remarkable transformation. Under Mr. Peterson's leadership, Chicago is transforming its public housing to meet the demands of today's world. Mr. Peterson's approach to public housing management is innovative and impressive. I look forward to hearing his testimony.

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Next, we have Doug Apple, who is the General Manager of the New York City Public Housing Authority.

We also have Steve Rudman who is the Chief Executive Officer and Executive Director of the Housing Authority of Portland;

Next is Betsey Martens, Co-Executive Director of Boulder Housing Partners in Boulder, Colorado.

Lastly, we have Curt Hiebert, who is the Chief Executive Officer of the Keene Public Housing Authority, in Keene, New Hampshire.

Thank you and I look forward to your testimony.

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